

San Francisco Bay Regional Water Quality Control Board

EXECUTIVE OFFICER'S REPORT

A Monthly Report to The Board

June 13, 2001

Proposition 13 – Completion of First Funding Round (Carrie Austin)

The first funding round of the Costa-Machado Water Action of 2000 (Prop 13) has been completed. The grants awarded in the San Francisco Bay Region include:

- \$750,000 Tomales Bay Watershed Enhancement Program (support dairies in implementing nonpoint source pollution and assist dairies and beef ranches in protecting and restoring critical riparian habitat)
- \$200,000 San Francisquito Creek (Palo Alto / Menlo Park) Watershed Analysis and Sediment Reduction Plan
- \$200,000 Codornices Creek (Berkeley / Albany) Watershed Restoration Action Plan
- \$80,000 Contra Costa County Watersheds Inventory and Creeks Restoration Strategy

Applicants who were not funded in the first round have been provided feedback and encouraged to reapply in the next round. The second funding round is imminent. We are keeping the Board website updated so that prospective applicants have advance notice of the schedule, and we have begun meeting with prospective applicants to assist them in developing superior projects and grant applications.

Hamilton Army Airfield (Naomi Feger)

Hamilton Army Airfield (Hamilton) in Novato was closed several years ago. Hamilton is now in the process of being sold or given to local government or the state after the necessary cleanup has been completed. Cleanup is underway.

Concerns have been raised by the public and the news media over the last few months regarding environmental contamination at Hamilton. Those concerns include a large MTBE plume, originating at a former Navy gas station, methane gas at potentially explosive levels in a capped landfill adjacent to new home construction sites, and water quality concerns at Pacheco Pond, a wildlife preserve and stormwater basin adjacent to the former military base. Congresswoman Woolsey, responding to her constituent concerns about Hamilton, called a Press Briefing on May 31, 2001 to hear from the military and regulatory agencies as to how we are addressing these concerns. The briefing included presentations by the Navy and Army and comments from the two regulatory agencies providing oversight for the cleanup and property transfers, the Regional Board and the Department of Toxic Substances Control (DTSC). Also in attendance were City of Novato officials and Marin County Supervisor Cynthia Murray. Media activity included newspapers, TV stations, and a media helicopter. A site tour was conducted after the press briefing. Congresswoman Woolsey achieved assurances from the Navy that the source of the MTBE plume would be contained on-site at the former gas station site and from the Army that funding would be made available to address the landfill methane gas.

Another element of the cleanup is the remediation of the airfield and the utilization of dredged sediments (primarily from the Port of Oakland) to construct wetlands over the entire runway area. This proposal is favored by the State Coastal Conservancy (SCC) and federal government (Corps of Engineers) and Board staff. To facilitate this, the SCC would take title in an "early"

transfer and implement the proposal with funding from the Corps. Eventually it would be turned over to the US Fish and Wildlife Service and may become part of the proposed Marin Baylands National Wildlife Refuge. One sticking point is the presence of low levels of DDT on site, probably from long-ago mosquito abatement activities, which may pose a risk to endangered species that will inhabit the wetlands, specifically the Clapper Rail. The Corps proposes to essentially cover this potential aquatic hazard with at least 3 feet of clean sediments or to move soils from areas of potential scour. Long-term monitoring and adaptive management would be used to monitor the success of the wetlands and to ensure that residual contamination has not impacted wildlife. The Corps called an all-day Summit on June 5th, where all the stakeholders reached a tentative agreement to go forward with this plan, with some details yet to be finalized. We will bring to the Board items on both the DDT proposal and the placement of the dredge sediment later this year.

Vallejo Reclaimed Water Project (Tobi Tyler)

Vallejo Sanitation and Flood Control District (District) is planning to use recycled wastewater for the propagation of nursery stock on approximately ½ acre at the District's wastewater treatment plant. Partnering with California Native Plant Society (CNPS), the District would use recycled wastewater to raise a variety of plants to promote the use of native vegetation in conjunction with best management practices for urban runoff needs. Native plants are superior for mitigating upland soil erosion mitigation, re-vegetating denuded areas, and stream bank stabilization. Many species also tend to be drought tolerant and do not need pesticides. It is anticipated that multiple agencies and organizations would benefit by this project, e.g. Greater Vallejo Recreation District, San Pablo Bay National Wildlife Refuge, and

City of Vallejo's Landscape Management District. In addition to these benefits to the community, this project will serve as a vehicle for public education by demonstrating the productive use of reclaimed wastewater.

Wendt Ranch Project, Contra Costa County (Kathryn Hart)

The Wendt Ranch Project, proposed by Shapell Industries of Northern California, is a small housing development located in the vicinity of Danville in Contra Costa County. The project is of great concern to a resident living downstream of the project along Alamo Creek, and several residents in the Lawrence Road area to the southwest of the site. These residents are concerned about a number of different aspects of the project, including discharge of stormwater, and impacts to wetlands and groundwater. We believe that appropriate stormwater controls are included with the project design, and that wetland issues have been adequately addressed. Because the project is small and does not involve wetland fill, I will sign the water quality certification and waiver of waste discharge requirements.

Avalon Homes (Keith Lichten)

The Avalon Homes Creek B erosion repair project is proceeding towards approval and likely construction this summer. This project is for repair of significant erosion on Creek B within the Avalon Homes subdivision in Fremont. Water Quality Certification for the project was previously denied without prejudice based on insufficient information on project design and lack of a certified CEQA document.

Board staff have continued to work with Avalon. Staff met with Avalon most recently on June 6 to resolve outstanding issues. Last week, Avalon submitted its written response to earlier staff comments. We are now reviewing their response. At present, the final remaining barrier to project

approval is agreement on Avalon's provision of acceptable financial assurance (e.g., bond or other instrument) to ensure the success of the proposed creek fix. Anticipating resolution of that issue, staff is preparing a draft Water Quality Certification for signature by the Executive Officer. (Avalon has to reactivate its Water Quality Certification application.)

Other agencies, including the State Department of Fish and Game, City of Fremont, and U.S. Army Corps of Engineers, continue to work towards issuing their approvals. The Fremont City Council provided initial approval for the project on May 24, 2001, and project plans are now under review by the City's engineering department.

All Star Gas/Kelly Engineer (Jolanta Uchman)

In March 2001 the Board imposed an ACL for late reports against All Star Gas, which was subsequently appealed to the State Board. One of the arguments in the appeal was that there was no evidence of any release from the site. On June 8, we received a subsurface investigation report for the site. This report appears to indicate there was a release at the site. Analyses of soil and groundwater samples confirm that the site has significant soil and groundwater pollution. The consultant has recommended performing additional site characterization along with the installation of 3 monitoring wells to define groundwater conditions. Given the elevated concentrations discovered, Board staff will also request a workplan for interim remedial action measures in addition to characterization of groundwater conditions at the site and the extent soil and groundwater pollution.

Rhone-Poulenc Update (Mark Johnson)

The Regional Board has been overseeing investigation and remediation of soil and

groundwater pollution related to arsenic releases from the former Rhone-Poulenc/Aventis, herbicide/pesticide plant, located at the 1990 Bay Road Site in East Palo Alto. The groundwater component of the Remedial Action Plan, adopted by the Board in 1992, called for the installation of a below ground impermeable barrier (slurry wall) and a groundwater pump and treat system to contain groundwater and prevent further migration of arsenic toward the adjacent wetlands. Board staff approved a modified workplan for the slurry wall earlier this year. Pre-construction activities related to installation of the slurry wall began in early June. The slurry wall itself will be installed during the week of June 18th. Completion of the slurry wall will be the last major remedial action for arsenic contamination in the upland portion of this federal Superfund site.

ARCO Lawsuit (Randy Lee)

On February 6, 2001, Atlantic Richfield Company (ARCO) filed a civil suit in San Mateo County Superior Court against the State and Regional Boards, petitioning the Court's review of a Section 13267 technical-report request letter issued to ARCO. The Court ruled on May 29 in favor of ARCO. In the ruling, the Court found that the Regional Board proceeded in excess of its jurisdiction in making its determination to require ARCO to perform acts pursuant to written letter orders without satisfying the "hearing requirement" implied in the Water Code, and that the Regional Board further abused its discretion in not proceeding in the manner required by law.

Water Code Section 13267 provides that the Regional Board may investigate the quality of any waters of the State within its region, and may require any person, who has discharged, discharges, or is suspected of discharging, to submit a technical report. ARCO was required in 1999 by a Section 13267 letter to submit a preliminary investigation work plan of its former

facilities at San Francisco International Airport. ARCO responded by filing two petitions to the State Board for review, and a law suit, after the State Board dismissed both petitions. A satisfactory work plan was, however, submitted and ARCO has substantially completed its preliminary investigation. Therefore, there is no immediate need for a Board hearing.

We normally issue Section 13267 letters without a Board hearing and have never, with the exception of ARCO, been requested by a letter recipient to hold a hearing. Board staff did not grant ARCO's request for a hearing, but explained clearly the reasonable need for the required investigation. ARCO was, however, advised of the opportunity to address the Board directly, during the public forum session. Legal counsel is currently assessing the implication of the Court ruling to decide what legal and/or administrative follow-up actions may be appropriate.

Hunters Point Shipyard (Brad Job)

In a letter dated May 21, 2001, U.S. Senators Barbara Boxer and Diane Feinstein and U.S. Representative Nancy Pelosi have requested that the Navy respond to recent allegations that the types and volumes of radioactive material that were handled and the number of locations where radiological work was conducted at Hunters Point Shipyard (HPS) have been consistently understated. While it has been common knowledge that Navy ships involved in the Bikini Atoll atomic bomb tests were brought to HPS for study and decontamination, a recent article in a local publication has questioned if radioactive sand blast grit, radioactive acid rinsate, and other radioactive materials were disposed at the former shipyard.

Although it was previously anticipated that radiological cleanup activities were essentially completed at the site, the Navy recently identified several areas that appear to contain unacceptable levels of radiation

including an extensive area of shoreline debris on Parcel E. Although the most prevalent radiological contaminant at HPS is radium, other radioactive fission products have been detected in certain areas. The Navy is reportedly finalizing a historical radiological assessment of the activities at the site.

In a related development, on June 6, 2001, approximately 3 weeks after the Navy's initial discovery, they issued a press release that elevated radiation levels were encountered while excavating contaminated soil and sandblast grit on Parcel B. According to the Navy and the U.S. Environmental Protection Agency (USEPA), the radiation levels do not pose a significant risk to site workers or neighbors. Regional Board staff are concerned that a large volume of the sandblast grit may have been disposed at landfills in the area that are not permitted to receive radiological wastes. Community groups have threatened to sue the Navy under California Proposition 65 and have alleged that the Navy was negligent in failing to report the presence of radiation to environmental workers and neighbors in a timely manner. The USEPA also issued a press release on June 7, 2001 that they intend to fine the Navy \$25,000 for failure to notify the regulatory agencies of a landfill fire at HPS that occurred in August of 2000.

In-house Training

Our May training was held in early June and consisted of a field trip to west Contra Costa County. The training focused on groundwater protection and waste containment issues. Staff visited Point Molate (a major bulk fuel storage and cleanup site) and West Contra Costa landfill (an unlined bay front landfill). Our regular June training will be on SWIM, the database used by the state and regional boards to track program activities. Brown-bag topics included a June 13 topic on wetland policies.

Staff Presentations

Stephen Hill gave a presentation titled "A Regulatory Perspective on Bioremediation and Other Innovative Remedial Technologies" at an international groundwater remediation conference in San Diego on June 6, 2001. Greg Bartow co-authored the presentation, which summarized the results of our recent in-house survey on innovative groundwater cleanup methods and featured a bioremediation case example from our region.

Several Board staff participated in a June 14-15, 2001, symposium on recalcitrant and emerging contaminants in San Jose, sponsored by the California Groundwater Resources Association and the Santa Clara Valley Water District. Keith Roberson co-chaired a panel on innovative treatment technologies, Stephen Hill presented a regulatory perspective of innovative groundwater cleanup methods, and Ravi Arulanantham presented a risk-based approach to MTBE site investigation and cleanup.

Ann Riley (Watershed Division) and Jill Marshall (Planning Unit) were invited speakers at the First "Annual Meeting" of the Statewide Hydromodification Workgroup. The meeting's intent is to provide a communication forum for State Board, Regional Board, and other agency staff that deal with issues related modification of streams and other waterways in California. Ann Riley spoke on "Urban Stream Restoration and Changing Flood Control Practices " and Jill Marshall's talk covered stream functions, beneficial uses and basin planning.

Christine Boschen spoke at the May meeting of the Contra Costa Watershed Forum. The Contra Costa Watershed Forum is a confederation of local stakeholder-driven watershed stewardship groups, both public

and private, and serves as a nexus for communication, networking, and cooperation among its members. Her talk focused on funding opportunities available through the State's Proposition 13, and Federal Clean Water Act Section 319(h) and 205(j) grant programs. Funds from these programs are available to assist eligible watershed planning and enhancement efforts, and to remediate nonpoint source pollution problems. She emphasized staff's commitment to work with Bay Area watershed groups to develop effective and competitive grant proposals. To this end, Carrie Austin, the Board's Proposition 13 Coordinator, will assist her in holding a workshop at the next Forum meeting, to discuss the upcoming Request for Proposals (for the second round of Proposition 13 grants. Carrie plans to conduct similar outreach in other areas of the Region.

Leslie Ferguson of the Watershed Management Division recently was awarded a graduate fellowship from the Robert and Patricia Switzer Foundation. Each year, ten such fellowships are awarded to graduate students on the West Coast whose studies are directed toward improving the quality of our natural environment and who "have the ability, determination and integrity to become environmental leaders in the 21st century". The fellowship includes a financial award, a mentoring program and ongoing participation in the Switzer Environmental Network. Leslie is pursuing a Master's Degree at UC Davis while continuing to work at the Board.

On May 24 Wil Bruhns spoke to two classes of eighth graders at Martin Luther King Middle School in Berkeley, trying to convince them to consider environmental engineering as a career. He also discussed environmental problems in the Bay area.

I spoke at the dedication ceremonies of the Delta Diablo Sanitation District's new recycled water facility on June 1. We are highly complimentary of the District's

facility and the use of the water for industrial reuse (cooling water for two new power plants) and parkland watering.

San Francisco Bay Area Power Plant Construction Summary

June 13, 2001

New Items in Italics

Power Plants Currently Under Construction

Project	Applicant	Capacity	Regional Board Status
Delta Energy Center (Pittsburg)	Calpine and Bechtel	880 MW	<ul style="list-style-type: none"> Facilitated in streamlining the wastewater reuse permitting process Reviewed Application for Certification (AFC) General Industrial Stormwater Permit Notice Of Intent (NOI) has not yet been submitted
Los Medanos Energy Center (Pittsburg)	Calpine and Bechtel	500 MW	<ul style="list-style-type: none"> Reviewed AFC General Industrial Stormwater Permit NOI has not yet been submitted
United Golden Gate Peaking Project Phase I (<i>provide power during peak load time only</i>) (San Francisco International Airport)	El Paso Merchant Energy Company	51 MW	<ul style="list-style-type: none"> Reviewed AFC General Industrial Stormwater Permit NOI has not yet been submitted
Total Generation Capacity:		1,431 MW	

Power Plants with Application Currently Being Reviewed by CEC

Project	Applicant	Capacity	Regional Board Status
Metcalf Energy Center (San Jose)	Calpine and Bechtel	600 MW	<ul style="list-style-type: none"> Reviewed AFC General Industrial Stormwater Permit NOI has not yet been submitted
Potrero Repower Project (San Francisco)	Mirant	540 MW	<ul style="list-style-type: none"> Facilitated in the interpretation of thermal limitation and requirements for thermal exemption Reviewed AFC Water Quality Certification application not yet submitted. Siting for cooling water intake structure yet to be determined. <i>NPDES Permit application submitted.</i> <p>Potential Problem with community objections.</p>
United Golden Gate Project Phase II (San Francisco International Airport)	El Paso Merchant Energy	520 MW	No AFC or permit application received to date.
Valero Cogeneration Project	Valero Refining Company	102 MW	No AFC or permit application received to date.
Total Generation Capacity:		1,762 MW	

Power Plant with Application Expected in 2001

Project	Applicant	Capacity	Regional Board Status
Russell City Energy Center (Hayward)	Calpine/Bechtel	600 MW	No AFC or permit application received to date. <i>Potential Problem with wetland fill</i>
South City (South San Francisco)	South City LLC	550 MW	No AFC or permit application received to date.
Petaluma Project	FPL Energy	581 MW	<i>Project relocated out of Region.</i>

San Francisco Bay Area Power Plant Construction Summary

Livermore Project	Calpine	Unknow	No AFC or permit application received to date.
Richmond Project	City of Richmond	Unknown	No AFC or permit application received to date.
Total Generation Capacity:		1,731 MW	

Power Plant with Application Withdrawn

Project	Applicant	Capacity	Remarks
Eastshore Substation Reliability Generation Project (Alameda County)	Calpine	91.2 MW	Provide power during peak load demand only
Martin Substation Peaking Project (San Mateo County)	Calpine	91.2 MW	Provide power during peak load demand only
Newark Substation Reliability Generation Project (Alameda County)	Calpine	91.2 MW	Provide power during peak load demand only
San Francisco Bay Barged-Mounted Emergency Generator (San Francisco County)	PG&E National Energy Group	95 MW	Provide power during peak load demand only
San Mateo Substation Peaking Project (San Mateo County)	Calpine	91.2 MW	Provide power during peak load demand only
Scott Substation Peaking Project (Santa Clara County)	Calpine	88 MW	Provide power during peak load demand only
Total Generation Capacity:		547.8 MW	

Definitions:

PEAK LOAD -- The highest electrical demand within a particular period of time. Daily electric peaks on weekdays occur in late afternoon and early evening. Annual peaks occur on hot summer days.

PEAK LOAD POWER PLANT -- A power generating station that is normally used to produce extra electricity during peak load times. A plant usually housing old or low-efficiency steam units, gas turbines, diesels, or pumped storage hydroelectric equipment normally used during the peak-load periods.

PEAKING UNIT -- A power generator used by a utility to produce extra electricity during peak load times.

Note: 1,000 MW can provide energy needed by 1 million homes